Secti. II-27—58,004—27-10-47.

REVENUE (1948) Department.

Ms SERIES.

'Close File
20/12/48
Appeal

G.O. NO. Ms. No. 2976

Dated 13th December 1948

[Despatch Abstract.]

Tax--Madras General Sales Tax Act, 1939 --(South Kanara)--South Kanara--District Fishermen association--Sales of fish caught by means of 'Rampan' net' exemption from levy of sales tax-refused.

Back Papers.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
Mo.	2174	Rev	5-12-45				

Further Papers.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
Memo	23320	W/49-1 Rev	3.6.49				

SECRETARIAT GOVERNMENT
18 MAR 1948
REVENUE DEPARTMENT
16903
17 MAR 1948

To

The Hon'ble Minister for Finance,
The Government of Madras,
Fort St. George, Madras.

Humble representation of
Dakshina Kannada Mogaveera Mahajana Sangha;
Mangalore, South Kanara District.

Most Respectfully Showeth;

That the above-named Sangha is a registered organisation of the Mogaveeras (Fishermen) of South Kanara for the purpose of ameliorating their conditions.

2 That the Fishermen of the District constitute a large section of the population. They are well over a lakh out of a population of sixteen lakhs in the District. The Mogaveeras constitute over 80 percent of the population of the Fishermen of the District. Though in population, they are the third biggest community in the District, it is regretable that economically, socially and educationally they are one of the most backward communities of the Hindu religion. There are barely half a dozen graduates in the entire community and the community is hardly represented in Government Service. The Mogaveeras eke out their livelihood by their professional fishing. Though their men irrespective of age are constrained to spend most of their time in the perilous sea fishing, still their lot is far from happy and they are never free from the clutches of poverty.

3 That the unfortunate Mogaveeras can hardly make two ends meet even after working for 14 hours a day. Under those circumstances it is surprising that they are subjected to the Sales Tax determined on the sale of fresh fish. The imposition of Sales Tax on the 'Rampani Net,' the benign Government will be pleased to see, is wholly unjustified and illegal under the following circumstances. In the coastal villages of South Kanara, large scale fishing is carried on by means of a Rampani Net—a net which does not belong to one individual but to 60 or 80 people who by knitting together their separate pieces of nets form this big net. After thus forming the Rampani Net, these fishermen, fish in the sea with their combined effort when shoals of fish are visible in the sea. Fishing by means of Rampani Net is done only during the season which commences from November and closes with February every year, as it is impossible to fish in the sea during the monsoon. Even during the season aforesaid, catches are not effected on all days. When large quantities of fish are caught by means of a Rampani Net, the same is divided into as many shares as there are people who have joined in the fishing with their pieces of nets and distributed among them. Each man's share of fish is separately sold by his women folk at home. The average income of a fisherman in a Rampani Net during any year can never exceed Rs. 250/-. A personal inspection of the huts wherein these poor fisherfolk live, by a responsible Officer and an enquiry in the matter will reveal the real poverty stricken conditions of these poor people.

That it is really unfortunate that in the above circumstances, a Rampani Net should be taxed by the local Commercial Tax authorities on the alleged ground that it is a 'Company' and by taking the total turnover of the entire Rampani Net which is

P.T.O

certainly opposed to all principles of law and justice. If the authorities treat this Rampani Net as a Company or a firm it is only a misnomer. As the fishermen are mostly illiterate and the nature of their work is such, it is not possible to maintain any accounts and the Commercial Tax authorities try to take advantage of this fact for purposes of taxation. However, the popular Government, it is hoped, will not fail to realise the absurdity of taxing these poor fisherfolk who toil day and night and still are not able to have a square meal on many days.

5 That further, if agriculturists, who are decidedly better off than the fishing community are to be exempted from the burden of this tax on the sale of their primary produce-agricultural produce, tobacco, arecanuts etc.—one fails to understand why the fishing community should not also be exempted from this tax on the sale of fresh fish, which is their only produce. Notwithstanding the fact that fishing plays an important part in the "Grow More Food Campaign" of the Government, by producing the poor man's food, it is a matter for much regret that even the popular Government has not yet taken into consideration why such an invidious distinction between these two professions agriculture and fishing should be allowed to stand and why the sales of fresh fish by the catchers themselves should not be exempted from Sales Tax.

6 That under the amended Sales Tax Act perishable goods like vegitables and fruits are taxed at a lower slab. Fish perishes much earlier than any fruit. It does not last more than a day. It is strange that fish is taxed at a higher slab. There is absolutely no justification, economic moral or otherwise to tax the catches either at the higher or lower slab.

7 In view of the above circumstances, the Sangha most respectfully prays that after granting an interview to the following representatives of the Sangha. (1) Sri M K. Basappa, (2) Sri B. M. Thingalaya, (3) Sri F. B. Kotenkar and (4) Sri H. L. Salian, who would wait as deputationists on the Hon'ble Minister, the Minister may be pleased to give due protection to the poor Mogaveeras by exempting the Rampani Nets and the sales of fresh fish from the burden of Sales Tax, in the interest of justice.

MANGALORE,
12—3—1948

We beg to remain,
Sir,
Yours obediently,

Hon. Secretary.

Copies submitted to:—

1. The Premier,
2. The Hon'ble Minister for Fisheries,
3. The Hon'ble Minister for Revenue,
4. The Chief Secretary to the Government of Madras.
5. The Deputy Commissioner of Commercial Taxes, Southern Division, Coimbatore.
6. The Director of Industries & Commerce (Fisheries Section).
7. The Asst. Director of Fisheries (Coast), Calicut.

KPWM P.I.C. No. S.K. 37—10-3-48—25

C/L of 44-2 ar ie

To

The Hon'ble Minister for Finance

The Government of Madras,

Fort St. George, Madras.

Humble representation of
Dakshina Kannada Mogaveera Mahajana Sangha,
Mangalore, South Kanara District.

Most Respectfully Showeth,

1 That the above-named Sangha is a registered organisation of the Mogaveeras (Fishermen) of South Kanara for the purpose of ameliorating their conditions.

2 That the Fishermen of the District constitute a large section of the population. They are well over a lakh out of a population of sixteen lakhs in the District. The Mogaveeras constitute over 80 percent of the population of the Fishermen of the District. Though in population, they are the third biggest community in the District, it is regretable that economically, socially and educationally they are one of the most backward communities of the Hindu religion. There are barely half a dozen graduates in the entire community and the community is hardly represented in Government Service. The Mogaveeras eke out their livelihood by their professional fishing. Though their men irrespective of age are constrained to spend most of their time in the perilous sea fishing, still their lot is far from happy and they are never free from the clutches of poverty.

3 That the unfortunate Mogaveeras can hardly make two ends meet even after working for 14 hours a day. Under those circumstances it is surprising that they are subjected to the Sales Tax determined on the sale of fresh fish. The imposition of Sales Tax on the 'Rampani Net,' the benign Government will be pleased to see, is wholly unjustified and illegal under the following circumstances. In the coastal villages of South Kanara, large scale fishing is carried on by means of a Rampani Net—a net which does not belong to one individual but to 60 or 80 people who by knitting together their separate pieces of nets form this big net. After thus forming the Rampani Net, these fishermen, fish in the sea with their combined effort when shoals of fish are visible in the sea. Fishing by means of Rampani Net is done only during the season which commences from November and closes with February every year, as it is impossible to fish in the sea during the monsoon. Even during the season aforesaid, catches are not effected on all days. When large quantities of fish are caught by means of a Rampani Net, the same is divided into as many shares as there are people who have joined in the fishing with their pieces of nets and distributed among them. Each man's share of fish is separately sold by his women folk at home. The average income of a fisherman in a Rampani Net during any year can never exceed Rs. 250/-. A personal inspection of the huts wherein these poor fisherfolk live, by a responsible Officer and an enquiry in the matter will reveal the real poverty stricken conditions of these poor people.

4 That it is really unfortunate that in the above circumstances, a Rampani Net should be taxed by the local Commercial Tax authorities on the alleged ground that it is a 'Company' and by taking the total turnover of the entire Rampani Net which is

P T.O

certainly opposed to all principles of law and justice. If the authorities treat this Rampani Net as a Company or a firm it is only a misnomer. As the fishermen are mostly illiterate and the nature of their work is such, it is not possible to maintain any accounts and the Commercial Tax authorities try to take advantage of this fact for purposes of taxation. However, the popular Government, it is hoped, will not fail to realise the absurdity of taxing these poor fisherfolk who toil day and night and still are not able to have a square meal on many days.

5 That further, if agriculturists, who are decidedly better off than the fishing community are to be exempted from the burden of this tax on the sale of their primary produce-agricultural produce, tobacco, arecanuts etc —one fails to understand why the fishing community should not also be exempted from this tax on the sale of fresh fish, which is their only produce. Notwithstanding the fact that fishing plays an important part in the "Grow More Food Campaign" of the Government, by producing the poor man's food, it is a matter for much regret that even the popular Government has not yet taken into consideration why such an invidious distinction between these two professions agriculture and fishing should be allowed to stand and why the sales of fresh fish by the catchers themselves should not be exempted from Sales Tax.

6 That under the amended Sales Tax Act perishable goods like vegitables and fruits are taxed at a lower slab. Fish perishes much earlier than any fruit. It does not last more than a day. It is strange that fish is taxed at a higher slab. There is absolutely no justification, economic moral or otherwise to tax the catches either at the higher or lower slab.

7 In view of the above circumstances, the Sangha most respectfully prays that after granting an interview to the following representatives of the Sangha. (1) Sri M K. Basappa, (2) Sri B. M. Thingalaya, (3) Sri F. B. Kotenkar and (4) Sri H. L. Salian, who would wait as deputationists on the Hon'ble Minister, the Minister may be pleased to give due protection to the poor Mogaveeras by exempting the Rampani Nets and the sales of fresh fish from the burden of Sales Tax, in the interest of justice.

MANGALORE,
12—3—1948

We beg to remain,
Sir,
Yours obediently,

B. Kotenkar

Hon. Secretary.

Copies submitted to:—

1. The Premier,
2. The Hon'ble Minister for Fisheries,
3. The Hon'ble Minister for Revenue,
4. The Chief Secretary to the Government of Madras.
5. The Deputy Commissioner of Commercial Taxes, Southern Division, Coimbatore.
6. The Director of Industries & Commerce (Fisheries Section).
7. The Asst. Director of Fisheries (Coast), Calicut.

KPWM P.I.C No. S.K. 37—10-3-48—25

5/ [illegible] Rev. Dept (

3/5/48

O.M. 16903 N/48.2 dt 1-5-48

Tax - the Madras General Sales Tax Act 1939 (South Kanara) - South Kanara District Fishermen's Association - Sale of fish - exemption from tax - memorandum.

ppl-2 cf From the South Kanara Dt. Fishermen Association, petn. dt 12-3-1948

<ppl-2 cf

A copy of the petn. quoted above is forwarded to the Board of Rev.

2/ The attention of the Bd. is invited to the orders in G.O Ms 2174 Rev. dt 5-12-47 and it is requested to examine the matter again with refce: to the liability to sale tax of the fishermen who collectively catch fish through a "Ramponi Net" and to submit a report to the Govt at an early date

(N)

Dft. dt 5/5/48

1/5/48

To the Bd of Rev. 1.5.48
with a copy of ppl-2 cf

DAKSHINA KANNADA MOGAVEERA MAHAJANA SANGHA, S. KANARA
(REGISTERED UNDER ACT XXI OF 18[illegible])
ESTD: 1923
ದಕ್ಷಿಣ ಕನ್ನಡ ಮೊಗವೀರ ಮಹಾಜನ ಸಂಘ
(1860ನೇ ಇಸವಿ XXIನೇ ಆಕ್ಟ್ ಪ್ರಕಾರ ರಿಜಿಸ್ಟ್ರಿ ಆಗಿದೆ)

R 27/92 N

Office ಕಾರ್ಯಾಲಯ Mangalore,

Ref. No. *Dated* ತಾರೀಕು 8th May 1948

The Hon'ble Minister for Finance,
The Government of Madras,
Fort St.George, Madras.

Sir,

Ref:-Representation of the Dakshina Kannada Mogaveera Mahajana Sangha, Mangalore dated 12-3-1948 praying for the exemption of Rampani nets and the sales of fresh fish from sales tax.

We beg to invite your kind attention to the aforesaid representation and the interview of our representatives with you at Madras in the presence of Dr.U.P.Mallaya, M.L.A. on 19-4-1948, when your goodself was pleased to instruct your Secretary to issue stay in respect of pending rampani nets cases before the Commercial Tax authorities and further expressing that a detailed report on the working of the Rampani nets in the South Kanara district will be called for.

On 4-5-1948 Dr.U.P.Mallaya with our aforesaid representative had a discussion with the C.T.O. South Kanara in Mangalore, when the latter was given a brief survey of the interview we had with the Hon'ble Minister. After giving us a patient hearing and showing a sympathetic attitude towards the Rampani nets, the C.T.O. informed us that he has not received any orders from the Government in the matter.

We may submit that cases of taxation of the rampani nets is on the increase and the poor fishermen are made to suffer great loss and hardships. Hence we have wired you today as follows

"Our representation 12th March and interviewed 19th April. Regret stay order sales taxes on Rampani nets not received here, pray immediate action letter follows"

We therefore pray that your goodself will kindly expedite action in the matter and see that the order is received here at an early date and redress the grievances.

For which act of justice we shall ever remain grateful.

Yours obediently,

Hon. Secretary.

Copy to C.T.O., South Kanara,
Mangalore.

31/1945 (30)

1

Memo No. 16903 N/48-2 dated 12.5.48

Tax - Madras General Sales Tax Act, 1939 - (South Kanara) - South Kanara District Fishermen's Association - Sales of fish Exemption from tax

p5 cf Ref:- Govt. Memo No. 16903 N/48-2 dt. 1-5-48

p6 cf From the South Kanara Dt. Fishermen's Assn. petition dated 8-5-48.

p6 cf A copy of the petition quoted above is forwarded to the Bd. of Rev. in continuation of Govt. Memo No. 16903 N/48-2 dt. 1-5-48.

p5 cf 2 The Bd. is requested to stay the collection of the tax pending final orders of the Govt. on the petition sent to it with Govt. Memo quoted above No. 16903 N/48-2 dt. 1-5-48

To The Bd. of Rev. (with a copy of petition in p6 cf)

Typ/Fwd 14.5.48

12/5/48

12/5/48

12/5/48

Copy to the Secretary, Dakshina Kannada Mogaveera Maha Jana Sangham, Mangalore

Industries and Commerce Department.

From

The Director of Industries and Commerce, Madras.

To

The Secretary to Government, Development Department, Madras.

No.L.Dis.3700/H5/48 dated 1/7/48.

Sir,

Sub: Fisheries - Sales Tax on the sale of fish Memorial from Dakshina Kannad Mogaveer a Mahajana Sangha, Mangalore to the Honourable Minister for Finance.

I invite a reference to the memorial dated 12-3-48 from the Dakshina Kannadi Mogaveera Mahajana Sangha, Mangalore to the Honourable Minister for Finance, copy sent to the Honourable Minister for Fisheries. The Madras General Sales Tax Act, 1939 excludes from the taxable turnover the proceeds of sale by a person of agricultural or horticultural produce grown by himself or grown on any land in which he has an interest. The memorialists request that the sale of fish by fishermen be treated as analogous to the sale of agricultural produce by agriculturists and exempted from sales tax. There is an essential difference between the two namely that revenue is payable to the Government separately in respect of the land on which agricultural produce is grown while no such revenue is payable on waters in which fish are caught.

2. The proceeds realised from the sale of fish by any individual fishermen are ordinarily below the taxable limit of Rs.10,000/-. It is only when a number of fishermen join together to operate a big net such as a "Rampani" net that their total turn over exceeds the limit of Rs.10,000/- and becomes liable to tax. The turn over of each individual in the group of fishermen operating such a net is said to be only Rs.300/- on the average in which case his share of tax comes to about of Rs.4-8-0 i.e. at Rs.0-0-3 per rupee. This is a trivial sum which can be easily paid by the fishermen or passed on to the consumer especially in view of the fact that the Sales Tax is an indirect tax on the consumer rather than on the dealer. The case for exemption of Rampini net operators from liability to is not strong.

J. Venkatarayudu
3.7.48
for Director of Industries and Commerce.

M.P.2/7.

Sec F.

To A.S.

P. 1 above may kee perused. The memorial referred to at 'A' on p. 1 above was sent to Rev Dio in this Dept Dio No. 3143F/48-1 dt 23.3.48. This may kee sent to them in Continuation.

6/7/48 7.7.48

7.7.48 Rev Rev

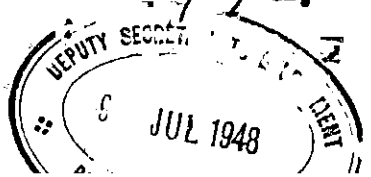
Dio 74443F/48-1

7.7.48.

N2 9/7/48

A 39260 N

9.7.48



To Rev Dept (N)

Memo No. 16903N/48-4 d) 10th-7-48

Subj:- Tax - Madras General Sales Tax Act, 1939 (South Canara) - South Canara Dt. Fishermen's Association - Sale of fish - Exemption from tax -

From the Dr. of Industries & Commerce No. I. Dis. 3200/115/48 d. 1-7-48. 1 p. 8 cf

ER I d. 27/7 Rd
Desp on 8-9-48
Rtd on 4-9-48
ER II d. 29/10 Rd
Desp on 30-10-48
Rtd on

A copy of the reference from the Dr. of Industries & Commerce, quoted above is forwarded to the Board of Rev. in continuation of Govt. Memo. No. 16903N/48-3 d) 12-5-48. The ~~report called for in para 2 of Govt Memo No. 16903N/48-2 d 1-6-48 may be expedited~~. Board is requested to expedite its report in the matter.

1 p. 5 cf

Copy with Govt Memo dt. 13-7-48 to the Board of Rev. with copy of p. 8 cf.

10/7/48

10/7/48

DAKSHINA KANNADA MOGAVEERA MAHAJANA SANGHA, S. KANARA

(REGISTERED UNDER ACT XXI OF 1860)

ESTD: 1923

ದಕ್ಷಿಣ ಕನ್ನಡ ಮೊಗವೀರ ಮಹಾಜನ ಸಂಘ

(1860ನೇ ಇಸವಿ XXIನೇ ಆಕ್ಟ್ ಪ್ರಕಾರ ರಿಜಿಸ್ಟ್ರಿ ಆಗಿದೆ)

ದ.ಕ.ಮೊಗವೀರ ಮಹಾಜನ ಸಭೆಯು ಪುನಃ ಸ್ಥಾಪನೆ 1928

Hampankatta,

Office ಕಾರ್ಯಾಲಯ Mangalore,

Ref. No.

Dated ತಾರೀಕು 25-10-1948

SECRETARY TO GOVT. MADRAS 28 OCT 1948 REVENUE DEPARTMENT

6118

To

The Hon'ble Minister for Finance,
The Govt. of Madras,
Fort St. George,
Madras.

Sir,

Ref: Representation of the Dakshina Kannada Mogaveera Mahajana Sangha, Mangalore, d/- 12-3-1948, praying for the exemption of Ramponi nets and the sales of fresh fish from Sales Tax and Memorandum No.16903 N/48-3 dated 12th May 1948 of the Govt. of Madras.

We are sorry to trouble you at a time when the Government is confronted with various problems; but we are constrained to do so under the following circumstances:-

We beg to invite your kind attention to the aforesaid representation of our Sangha and the discussion our representatives along with Dr.U.P.Mallya, M.L.A., had with you at Madras, on 19-4-1948 in the matter concerned.

In this matter, we are glad that subsequently, the Govt. of Madras, were pleased to request the Board of Revenue to stay the collection of the tax pending final orders of the Government as per Memorandum No.16903 N/48-3 dated 12th May 1948.

Notwithstanding the aforesaid Memorandum of the Government, it is very surprising that the learned A.C.T.O. of Udipi should collect taxes - contrary to the directions of the memorandum

from some of the Ramponi nets of Udipi Taluk and when the poor assessees tried to take shelter under the aforesaid Memorandum of the Govt., should persistently go to the extent of compounding the offence of failure to pay the tax. The illiterate and helpless assessees only with due obedience to the orders of the local authority were compelled to pay the taxes and the compounding fees. In the light of the aforesaid Govt. Memorandum staying the collection of the tax - the action of the learned A.C.T.O. of Udipi seems to us highly illegal and high-handed. However, we leave this matter for your goodself's consideration:-

Further, though it has been repeatedly brought to the notice of the authorities concerned that in the case of Ramponi nets, as the fishermen are mostly illiterate and the nature of their work is such, it is not possible to maintain any accounts, the Commercial Tax authorities still persist in demanding accounts from the Ramponi nets and thus harass them in all ways possible. Unless and until final orders are passed by the Govt. exempting the Ramponi nets and the sales of fresh fish from taxation, there is no proper protection for the poor fishermen of the district.

The importance of fish as an item of food

has been very well emphasised by the Hon'ble Food Minister, Govt. of India, while inaugurating the four-days Fisheries Conference on 27th September 1948 at Delhi, where he rightly referring to the condition of the fishermen in general said that the fishermen were mostly ignorant, superstitious, and chronically poor. The Hon'ble Minister further suggested that the Central, Provincial and State Governments should get together and evolve definite plans for augmenting the yield of fish in the country. He rightly pointed out that the prosperity and development of the fishing industry of any country in the world depended on its fishermen.

In view of all the above circumstances, we hope that the Government will certainly give us a helping hand and by redressing our grievances develop the fishing industry and thereby the food position of the country also.

We pray, therefore, that your goodself - having already done justice by issuing stay in the collection of taxes - expedite further action in the matter and pass final orders exempting the Ramponi nets and the sales of fresh fish from taxation, or else the fishermen of the district will be put to untold difficulties and hardships.

For which act of justice we shall ever remain grateful.

We remain,

S i r,

Yours faithfully,

B. Kodeeswaran

Hon. Secretary.

Copies submitted to:-
1) Secretary, Finance Department.
2) Deputy Commissioner of Commercial Taxes, Coimbatore.

Rev Dept (N)

Memo no. 16903 N/us - 5 (S) & 6 (CO). 48

Taxn. - M.G.S.T. Act, 1939 - (South Kanara) - South Kanara St. Fishermens' Association - sale of fish - exemption from sales tax

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on the Hon. Secretary, Dakshina Kannada Mogaveera Mahajana Sangha, S. Kanara, petition dt. 25-10-48

A copy of the further petition quoted above is forwarded to the Bd & Rev in continuation of the Govt Memo no. 16903 N/us-2 dt. 1.5.48.

2 The Bd is requested to expedite its report in the matter.

Rev 8/11/48

Rs 31/8/48

8.11.48

Bd & Rev with a copy of the petition at 62-11-13 CF.

9/11

5.11.48

6/11/48

R63667N

REVENUE DEPARTMENT

Subject.

MADRAS GENERAL SALES TAX ACT, 39 - (South-Kanara) - Fishermen's Association - Sales of fish - Exemption from tax Memorandum - Report - Submitted.

Station: Madras Dated 6-11-1948.

From REFERENCE T.4087/48-4

Khan Saheb Md. Sultan Mohiuddin Hussain Sahib Bahadur, B.A.,
Secretary, Commercial Taxes.

S. Ranganathan, Esq., O.B.E., I.C.S., Commr. of Land Revenue & Commercial Taxes.

Read:- Govt. Rev. Dept. Memo No.1690/N/48-2 dated 1-5-48 and 12-5-48.

From the Dy. Commr. (South) L.Dis.No.1982/B/48 dated 17-10-48.

--

REFERENCE

Submitted to the Government.

2. The main contentions of the Association are:

(a) All the quantities of fish caught are divided amongst the members constituting the "Rampani Net" and each man's share of fish is sold by his womenfolk at home.

(b) The "Rampani Nets" are not like companies and cannot therefore be taxed on the collective turnover.

(c) As there is no distinction between agriculture and fishing the same concession extended to the farmers or agriculturists should be extended to the fishermen also; and

(d) Perishable goods like vegetables and fruits are taxed at slab rates while fish which perishes much earlier than any fruit or vegetable is taxed at a higher rate.

The reports of the Deputy Commissioner (South) and the Special Assistant Commercial Tax Officer, Mangalore clearly show that the Association's contentions (a) and (b) are not true. The "Rampani Nets" are run by the Thandels who are the elected representatives of the shareholders comprising of fishermen. It is like a firm or company and is therefore liable to tax.

As regards contention (c) the Board submits that the agriculturists pay a separate land revenue to the Government. They have also got to incur other expenses like investment, manuring, sowing, ploughing etc. The fishermen have none of these expenses. There can therefore be no similarity between an agriculturists and a fisherman and the analogy is not quite tenable.

Regarding contention (d) the Board submits that though fish is perishable it can always be subjected to the process of salting and preserved but in the case of fruits and vegetable since the canning industry is not very much advanced in India, it is not so and they continue to be perishable articles. It was, therefore, quite proper that the Government took a charitable and generous view in regard to fruits and vegetables. If the concessions of slab rate assessment were to be extended to the fishermen also, it would become a bad precedent and mutton

and other similar dealers also might come up with the same argument, for a similar concession.

The Board therefore suggests that in the above circumstances none of the requests of the Association merits consideration and that there is no case for reversing the orders in G.O.Ms.2174 Revenue dated 5-12-45. It also submits that as the assessments of "Rampani Nets" are contested in the District Munsiff's Court, Udipi on identical grounds and several suits are pending the Government may await the Court's decision in the suits before deciding on shewing any concession.

p.7 cf 4 — X

for SECRETARY
COMMERCIAL TAXES.

To ✓
The Secretary to Government, Revenue Dept. (paras 1 & 2 only)
To the Deputy Commr. (South) paras 3 & 4.

PEERAN.8/11/48.

9/11/48

Copy of L.Dis.No.1982/B/48 dated 17-10-48 from the Deputy Commissioner, Commercial Taxes (South).

Sub:- M.G.S.T.ACT, 1939 - (South Kanara) - Fishermens' Association - Sales of Fish - Exemption from tax - Memorandum - Further report - submitted.

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Ref:- Board's Ref.T.4087/48-3 dated 24-9-1948.

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'Rampani Nets' ctioning mostly in Coondapur and Udipi coasts and on a minor scale in Mangalore and Kasargod casts of South Kanara district. The memorial in question has been engineered solely by the fishermen of Udipi taluk under the guidance of a lawyer. In the early years these very fishermen are reported to have submitted turnover returns and became assessees. But during the last two years they are trying to avoid assessment by pleading that they have no accounts and that the sales are not effected jointly but only individually. During my recent camp in Mangalore I discussed this subject with the local officers. There cannot be any direct evidence, so far as the Udipi fishermen are concerned to show that the 'Thandel' does the business on behalf of the whole party because they are supressing their accounts. The only way is to personally watch the sales when the boats arrive from the sea after the catch and to notice in the accounts of local dealers entries relating to purchase of large quantities of fish from such Tandals at a time, much more than the possible share of a single individual. But a surer way appears to be to judge the transactions of these Udipi fishermen from those of the adjacent taluk of Coondapur, because all the Rampani nets in that coast line must necessarily be working on the same lines and principles. Hence I deputed the Special Assistant Commercial Tax Officer, South Kanara district to Coondapur to examine the records of Rampani nets of that coast on given lines and to report to me. His detailed report is herewith submitted as it is very explanatory. It clearly show that regular elaborate accounts are maintained for Rampani Net that the maintenance of accounts is indispensable from the very nature of the business, that the division of catch every day among 50 or 60 participants is not only impracticable but also impossible, because the catch is varied consisting of different sizes and varieties of fish, and because of the time involved in such division, the dangers of rivalry and competition in selling each man's share and the necessity to raise a common fund to meet the several items of joint expenditure. The division of each day's catch among the 50 or 60 individuals is opposed to the principles of corporate existence and unity. Hence, my belief that as in Coondapur coast the Thande in Udipi Coast also do the business on behalf of all the share holders.

(Sd) P.S. Narayana Rao,
Dy. Commr. of C.T.(South)

Enc:- Report of the Spl. A.C.T.O., South Kanara.

NOTE SUBMITTED ON THE WORKING OF RAMPANI NETS AND MAINTENANCE OF ACCOUNTS BY THEM.

Exami s of the following F
pur and Malpe centres.

S.No.	A2 No.	Name of Rampani Fund	T.O. for 47-48.
1	1671	K. Rama Malpe	33,492-2-6
2	1049	K. Shesa Malpe	38026-12-10
3	1129	Naga Poojari Fund Coondapur	15873-0-0
4	1132	Devappa Poojari Fund "	16246-12-0
5	1131	Marlu Poojari Fund "	10637-14-0
6	1130	Sukra Poojari Fund "	14390-5-0
7	1139	Montu Kodra(Devara Hitlu Fund) Keteshwar ..	27834-5-3 p.t.o.

8	1669	Nau Tandel Malpe	10323-0-0
9	1688	Sankesh Urina Bale, Malpe	20307-0-0

A check of their account disclosed that there are three categories of Rampani Net Associations.

Category I. The net is owned by a single member who is called the Yejman or the Owner. To catch fish and for other operations connected with fishing 50 to 60 members join him. These members are the workers of the net. After deducting the expenses for the purchase, repair and maintenance of the net etc., from the total receipts (sale proceeds of raw fish) for the fishing season, half the amount is taken by the owner and the other half is distributed to the members. There is no representative character here. The owner of the net pays tax on sales of raw fish in his individual capacity. Nos 1 and 2 above fall under this category.

Category II. The association consists of two class of members. The one class of members may be called the managing members and the other class working members. All the members together go to the Sea and have to participate in the operations. During the period of operations i.e., from about the end of September to about the middle of April, all the members are fed by the Association. The expenses so incurred are classified as 'Fund Expenses'. Other expenses such as collection charges, travelling expenses, local taxes etc., are also included under this head. Expenses incurred on the purchase of raw jute, mathi-bark (colour), ready made net pieceses, repair and maintenance charges of Net and boat etc., are classified as 'Expenses on Net'. Immediately the fishing season is over, the accounts are closed for the year, and out of the total receipts for the year (Raw fish sale proceeds) the 'Fund Expense is deducted and the balance amount divided into two equal shares. One share is distributed to all the members, both managing members and working members. Out of the second half the 'expenses on net' is deducted and the remaining amount if any shared equally by the managing members alone. Similarly should there be a loss it is to be borne by the Managing members alone. In other words the Managing members alone are liable for the assets and liabilities of the Rampani. The Net, Boat etc., the appliances of the Rampani are properties belongingto the Managing Members jointly. Nos. 3 to 6 above fall under this category. A tabular statement of receipts and expenditure incurred by these Rampani Nets in the year 47-48 is shown below.

Name of Fund.	Number of members.			Total Receipts in the year.	Fund Exp.	Half the share distributed among all the members.	Expenses on net.	Gross profit or loss of the Co., or Balance of ½ the share distributed among managing members.
	Managing members.	Working members.	Total.					
NagaPoojari, Kodi Coondapur.	19	49	68	16361-2-0	5258-15-0 263-4-0	10838-15-0		

Name of Fund.	No. of members. Managing Members.	Working members.	Total.	Total receipts in the year.	Fund expenses.	Balance.	Half the share distributed among all the members.	Expenses on net.	Gross profit or loss of the co of Balance of ½ the share distributed among managing memb
Naga Poojari, Kodi, Coondapur.	19	49	68	16361-2-0	5258-15-0 263-4-0	10838-15-0	5419-7-6	5842/4	Los 422-1
Devappa Poojari Kodi, Coondapur.	40	20	60	17224-12-0	6912-3-1	10312-8-11	5156-4-5	1494-7-6	3661-1
Marlu Poojari, Kodi, Coondapur.	26	34	60	9637-14-0	~~9637-14-0~~ 6582-14-4	~~6582-14-4~~ 3054-15-8	1527-7-10	2060-11-6	ss 420-0-6
Sukra Poojari.	29	31	60	14588-7-0	5300-5-0	9288-2-0	4644-1-0	7036-0-0	L 2391-15

Category III. Under this category all the members enjoy the same right and prevéleges. The total receipts for the year is worked out at the end of the fishing season. Expenses incurred by the association for purchase of raw jute, cotton thread, math bark, feeding charges etc., are first deducted from the receipts for the year and the balance amout divided among all the members equally. The net, boat, etc., the appliances of the rampani are the joint property of all the members. The expenses are inc red by the rampany as a whole and not by the individual members. Members 7 to 9 above fall under this class of association. The distribution of profits by these three rampany netswere as folle in the year 47-48:

Name of the rampany.	Total No. of members.	Total receipts.	Expenses on maintenance of net etc.	Expense on feeding charges.	Net pro distrib ted to bers
Devarahithlu Fund Bale.	60	34140-15-6	3590-5-6	Not disclosed in the accounts.	30550-1
Navu Thandel, Malpe	60	10323-0-0	3562-4-0	3000-0-0	2760-12
Sankesha Urina Bale	60	19205-0-0	Not disclosed in accounts		--

Financial Arrangements:- In respect of rampanies falling under category I, the financing arrangements are looked after by the owner. He advances moneys for the working of the nets and to the worker members. He also holds bank accounts in his individu name.

Associations falling under category II and III have no bank accounts. The accounts of two rampany funds disclosed that

loans were obtained by the Rampany-fund as a corporate body from the villagers. The details are given below:-

Name of the fund (Borrower)	Date.	Name of the person from whom borrowed and amount.	
Naga Poojari Fund	47-48.	Lores Naika, Coondapur	Rs.1,500
Marlu Poojari Fund	11-4-47	Laxmi, Kody	800/-
	18-4-47	Putta " -	600/-
	21-4-47	Durgi, Kody	500/-
	"	Igala Durgi Kody	700/-
	"	Kody Ganapa	500/-
	28-4-47	Marlu, Kody -	811/-

Interest is also paid from the common fund of the rampany. These loans are obtained at the beginning of the season to meet the expenses for common food, purchases and repairs of net etc. Cash advances are sometimes made to the members and this amount is recouped by the association on final distribution of profits. The accounts of Sukru Poojari fund also showed payment of interest towards loans obtained but details regarding borrowings are not disclosed in the accounts.

Attendance and Supervisory right exercised by Fund.

The accounts of one dealer viz., Monthu Kodra disclosed that when a member is absent from the operations, he is not only denied a share in the sale proceeds of the catches of the day but is debited with an amount of 0-1-6 or 0-3-0 depending on the nature and volume of work turned out that day by the rest. When a member takes fish for his domestic or personal use its value is also debited to his accounts. The total amounts so realised under these heads was Rs.401-14-9 in 47-48. This amount was credited to the rampany fund and distributed among the members equally. The other rampany nets also appear to have been adopting the same procedure for securing attendance and discipline of the members, but their accounts are, however, silent on this.

GENERAL:

The fishing season is from about the end of September to about the middle of April each year, the monthsof October, November and December being the busiest. The number of catches in a year varies from place to place and also depends upon the movement of fish in the sea and the skill displayed during the operations. In Coondapur side the rampanies had about 80 to 120 in the year 47-48 while at Malpe it was about 20 to 25. Throughout the fishing season, the members are to remain at the sea shore and work under the guidance and supervision of the tandel. One of them is always on the watch for the fish and if fish is sighted they go into the sea, otherwise they remain on sea-shore preparing new pieces of net or any other work connected with fishing. Rarely, they go even twice a day into the sea.

Number of Catches in 47-48 by several Rampanies.

Name of the Rampany.	M O N T H. Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.,	Apr.	Twice a day	Total.
Naga Poojari Fund	-	11	24	17	23	15	16	4	-	120
Devappa Pujari Fund	1	22	18	18	15	14	13	8	2	111
Marlu Fund	-	18	19	13	14	14	6	-	-	84
Sukru Poojari Fund	2	24	21	16	21	14	18	11	3	130
Monthu Kodra Fund	-	19	22	16	17	12	10	6	-	102
Navu Tandel Fund	-	-	14	5	2	1	-	-	-	22
Sankesha Oorina Bale	-	-	8	6.	2	1	-	-	-	17

Mackerel fish locally known as Bangade is caught in large numbers in these parts. Number of fish caught at a time ranges from 5,000 to one to three lakhs of mackerels, the value being from Rs.50/- to Rs.4000-0-0. Value of other kinds of fish caught at a time ranges from Rs.5/- to Rs.150/-.

Comparative list of value of catches a day.

Name of Rampany.	No. of catches valued at Over Rs. 1000/-	Between 750/- & 1000/-	Between Rs.500/- & 750/-	Between Rs.400/- to 500/-	Between Rs.200/- & 400/-	Between Rs.100/- & 200/-	Between Rs.50/- & 100/-	Below Rs.50/-
Naga Pujari Fund	1	2	3	3	17	18	26	40
Devappa Pujari "	2	1	4	4	14	30	21	29
Narlu Pujari "	-		1	1	9	28	11	31
Sukru Pujari "	-	2	3	2	8	33	30	49
Monthu Kodra "	4	3	11	5	17	37	16	m50
Navu Tandel Fund	3	1	4	-	5	4	5	-
Sankesha Oorina Bale	8	2	3	1	4	3		

Examination of buyers accounts:-- Examined the accounts of four dealers who purchase raw fish from rampany nets. Their accounts show the purchases having been made from rampanies. Some extracts from their accounts are given below:--

Name of the buyer.	Name of the seller (Rampany)	Total amount of purchase in the year 47-48.
M.H.Abeed Brer. Ganguli.	Gopady Hale Bale (Albert Menezes)	Rs.236-0-0
	Marl Pujari Fund (Kodi, Coondapur)	Rs.397-0-0
	Devarahithlu Fund (Monthu Kodra)	Rs.931-12-0
	Devappa Pujari Fund	118-12-0
	Gopady Hosa Fund	115-0-0

Name of the buyer.	Name of the seller (Rampany)	Total amount of p in the year 47-48
Moulana Sheik Saheb Ganguli.	Kirimanjeshwara Hosahithlu Fund	632-15-6
	Adargoli Fund, Kirimanjeshwar	426-2-0
	Madikal Hale Fund Kirimanjeshwar	410-0-0
	Ammantheplu Fund Uppunda	24-0-0
	Karkikali Hosa Fun Kirimanjeshwar	1228-5-0
K. Rama, Malpe	Sankesha Oorina Bale, Malpe	5688-0-0
	Aivar Rampany, Malpe	2619-0-0
Sankesha Shesha Markala, Malpe	Lobana Rampany, Kuthpady	1284-0-0
	Yard Bale Malpe	2898-0-0

(Sd) Hejmadi,
Spl: A.C.T.O., Mangalore.

/tru

for SECRETARY,
COMMERCIAL TAXES.

9/11/48

PEERAN.8/11/48.

[C.No. 16903 N/48]

23 Rev Dept (N)

Read again:
G.C. No. no. 2174, Revenue dt 5.12.48
Read also:
From the South Kanara Dt. Fishermen Association, Pekilon dt 12.3.48
Govt Memo no. 16903 N/48-2 dt 1.5.48
From the South Kanara Dt. Fishermen Association, Pekilon dt 8.5.48
Govt Memo no 16903 N/48-3 dt 12.5.48
From the Director of Industries & Commerce. Lr No. M.L.Dis. 3700 H5/48 dt 1.7.48
Govt Memo no. 16903 N/48-4 dt 10.7.48
From the South Kanara Dt. Fishermen Association, Pekilon dt 25.10.48
Govt Memo no. 16903 N/48-5 dt 6.11.48
From the Bd of Rev. Rc. T. 4087/48-4 dt 6.11.48

G.C. No. no. 2976 dt 13.12.48

The Govt are not prepared

To comply with the Request of the South Kalutara District Fishermen's Association for exemption from sales tax in respect of sales of fish caught by means of a 'Kampani net'. The Duty of collection of the sales tax ordered in para (2) of the Govt Memo No. 16903 V/Luf-3 of 12.5.48 is vacated.

P/S
10.12.48

MLR
13/12/48

P. 1/Fin (CTR)
14.12.48

To The Hon. Secretary
Dakshina Kanna
da Nagarura
Sangha Mandala
South Kanara D.

Copy to the Sd. Secy. to Govt. (Commercial Taxes)

Copy to the Director of Industries & Commerce.

S/C - 2

Secy
10/12/48

Revenue Department.

Tax - Madras General Sales Act, 1939 - (South Kanara) - outh Kanara District Fishermen Association sales of fish - Exemption - Request.

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From the South Kanara District Fishermen Association, petition dated 12-3-1948.

**

To A.S.

Please see the representation at pages 1-2 C.F.

2. In August 1945, the same Association made representations to the Government for exempting the sales of fish from sales tax. Their request was examined in consultation with the Board of Revenue and it was considered that there were no grounds for exempting the sales of fish. Please see the Board's report at page 5 of G.O.No.2174 Rev. dated 5-12-45. No new points have now been raised in favour of the claim for exemption. The General Sales Tax Act as recently amended specifically permits registered dealers to collect sales tax. The fishermen Society may pass on the tax payable by it to the persons to whom it sells the fish.

3. In para 6 of the memorandum, a reference is made to the levy of sales tax at a reduced rate in the case of fruits and vegetables. Representations were made to the Select Committee which considered the recent amendments to the General Sales Tax Act that fruits and vegetables being perishable articles should be totally exempted from tax. But the Committee did not consider that total exemption was called for. As a matter of concession, it recommended that the slab (sic) rates of tax which were in existence prior to 1-1-48 may be allowed to continue in the case of dealers in fruit and vegetables whose turnover does not exceed Rs.20,000 per annum. Accordingly a notification was issued fixing the rates of tax payable by dealers in vegetables and fruits as follows:-

If the turnover is not less than ten-thousand rupees but does not exceed fifteen thousand rupees.	Rs.96.
If the t.o. exceeds 15,000 but does not exceed Rs.20,000	Rs.144.

Dealers in fruits and vegetables whose turnover exceeds

Rs.20,000 pay sales tax at the usual rate of 3 pies per rupee. The sales of fish are subject to the usual rate of 3 pies per rupee. It does not appear necessary to extend the concession shown in the case of fresh fruit and vegetables to fish also as any concession shown in the case of fish will automatically lead to claims for similar concession in the case of other perishable goods like meat. For orders whether the requests of the Association may be negatived. It does not seem necessary to hear the representation of the Association.

31/3/48.

Finance may see for remarks before circulation.

In Go (N) the Govt refused exemption of the sale of fish from the sales tax. Fin

The qn now raised is whether it may be levied a special rate of tax as in the case of vegetables. There does not seem to be any strong grounds to make a distinction between fish & vegetables in this respect. It is for orders whether the Board's remarks may be invited on the request of the Sangha contained in the printed memorial below

25/3/48 DS

The request may be negatived. 1A

31/3/48

Rem L.o 16903/V/48

Fin.

Finance (A.A)

Finance may agree with the proposal of Revenue at A above.

1.4.48

Rem

2A

2/4/48

Rev Dept-
N.

Please see the notes on pages 1-2 above.
2 The draft endt. below is for approval.

Sn
6/4/48

VS
9/4/48 DS

MR
13/4/48

Hm (Fin)

Circulation
20/4/48
14.4.48

SECRETARY TO GOVERNMENT
APR 7 APR 1948
21/4/48
REVENUE DEPARTMENT

TO A.S

Please see the copy of the memorandum at pp3-C.F. and the minutes of H.m. (Fin) at p3. C.F.

2 A copy of the memorandum was already received in this Department and the points raised by the memorialists were examined and it was proposed to negative the request ~~was granted~~ Please see the notes and orders in circulation at pp.1-3 ante. ~~Submitted for orders whether the draft endt. below may be issued~~. The liability to tax in the present case is explained in para 1 of the Board's report at page 5 of G.O. No. 2174 Rev. of 5.12.47.

See 11/1-2 CF

(N)

21.4.48

3 It is for orders whether the draft Endt. below which has already been approved may issue.

Sn
21/4/48.

The draft may issue after perusal of the note above by H.M (Fin)

H.M Fin

VS
21/4/48 DS

DEPUTY SECRETARY TO GOVERNMENT
23 APR 1948
Revd
REVENUE DEPARTMENT
23/4/48

SECRETARY TO GOVERNMENT
26 APR
REVENUE DEPARTMENT

H.m (Fin) may kindly see and say whether the draft below may issue or whether he wants the matter examined again with reference to the liability to sales tax of the fishermen who collectively catch fish through a "Rompani Net". Attention is invited in this connexion to the G.O at (N) and the Board's report therein.

MR
24/4/48

Hm (Fin)
May be examined again.
M.M
11.6.

To A-

Please see the orders in circulation at p3 ante.

2/. A copy of the memorandum at pp1-2 cf may be sent to the Bd. and it may be asked to offer its remarks. A draft O.M. is submitted for approval

FC
3/5/48

B
5.48

Issued
1/5/48

Issued as Memo No. 16903 N/48-2 dated 1-5-48 p5 cf.
From Dakshina Kannada Mogaveera Mahajana Sangha, S. Kanara
Representation dated 8.5.48 p6 cf

To A.S.

Please see the representation at page 6 cf.

2. It is understood that Hon. Fin. Adviser that stay should be granted pending final orders of the Govt. in the matter. A draft memo is submitted for approval.

12/5/48 Dy

Submitted with ref to D.S's oral instructions on 11/5/48
Sd

H. M (Fin) wanted that pending examination of their representation realisation of tax should be stayed.

MR
12/5/48

[Issued as Memo no 16903 N/48-3 dt 12.5.48] p. 7 cf.
From the Director of Industries & Commerce
Ref. L.Dis. 3700/H5/48 dt 1.7.48 pp 8-9 cf

[Issued as Memo no. 16903N/48-4 dt 10.7.48] p. 10 cf

From the Hon. Secy. Dakshina Kannada Mogaveera Mahajana Sangh. Sonk Kanara, Pehilon dt 25.10.48 pp 11-13 cf

[Issued as Memo no. 16903 N/48-5 dt 6.11.48] p. 14 cf

From the Bd of Rev. Ref. T.6087/48-4 dt 6.11.48. pp 15-16 cf

In their representation dated 12-3-1948, the South Kanar Fishermen Association requested that sales tax should not be levied on the sales of fish caught by means of the 'Rampani net'. A copy of the representation was sent to the Board of Revenue and the Board was asked to examine the points raised in the representation with reference to the liability to sale tax of the fishermen who collectively catch fish through a 'Rampani net". The Board was requested to stay the collectic of the tax pending final orders of the Government on the representation made by the Fishermen Association. In its report at pp. 15-16 C.F., the Board has offered its remarks c the contentions raised by the Fishermen Association in regarc to the liability to sales tax of fishermen who collectively catch fish through a 'Rampani net'. The Board is of the viev that the fishermen who collectively catch fish through the 'Rampani net' are like a company or a firm and are liable to sales tax. The Board is also not in favour of extending the concession of slab rate assessment which is applicable to dealers in fruit and vegetables to the fishermen. The Direc of Industries and Commerce is also of the view that there is no strong case for exempting the operators of the 'Rampani net' from sales tax.

The Board of Revenue has stated that suits in respect o assessments of 'Rampani nets' are pending in the District Munsiff's Court, Udipi and it has suggested that the Governm may await the Court's decision in the suits before deciding on showing any concessions.

The decision of the Court in regard to the validity of the assessments in question will take a long time to be received. The collection of the tax has been ordered to be stayed pending orders of the Government on the representatio made by the Fishermen's Association. If the Court decides that the assessments in question are not legal, the tax may refunded. It does not appear necessary to await the decisic of the Court before issuing orders on the representation by the Fishermen's Association. It is for orders whether the

request of the Association for exemption from sales tax in respect of sales of fish caught by means of a 'Rampani net' will be negatived.

Finance may see before circulation.

6.11.48
Dr
17/11/48.

18/11/48 DS

The request may be negatived and the stay orders vacated. 1A

MR
19/11/48

Rev. U. 6.16903 N/48-6
19.11.48

Finance

Finance (A.A)

(Previous note of fin. at p. 2 above)

The notes of Rev. on pp. 4-5 above may be perused. In the circumstances stated the proposal of Rev. at 'A' above may be agreed to in finance

24.11.48 24.11.48

25.11.48

Rev.

Fin m. 100178 A.A./48-5
25.11.48.

Rev Dept (W)

10 AS

Please see the notes from page 4 and the file may now be circulated to H.R (Finance) for orders.

26.11.48
Dr
26/11/48.

26/11/48 DS

MR
29/11/48

HR (Fin)

A group of fishermen cannot be described as a Company. Court will decide it. Stay may be vacated.

CAV 29/11/48

To AS

Please see the orders in circulation at page 5 ante.

2 A draft order is submitted for approval.

MR
10/12/48

10.12.48

Sa
10/12/48